a band, coupled with the ability to intervene as and when necessary. The overall approach to the management of India's foreign exchange reserves takes into account the changing composition of the balance of payments and 'liquidity risks' associated with different types of flows and other requirements. Excess volatility in foreign exchange markets is contained through intervention as and when necessary and followed up by sterilisation of liquidity through issuance of treasury bills/dated securities under the Market Stabilisation Scheme.

**Lender liability bill**

227. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to bring legislation called Lender Liability Bill to fix lending terms and conditions and crack down on unfair recovery means adopted by some private banks in the country;

(b) if so, the details thereof;

(c) whether the proposed legislation would cover hidden charges levied by these banks on the lender and also crack down on banks who sit on no due certificates;

(d) what legal action Government took on the banks who resorted to recovery of loans by force using goons and extra-constitutional authority; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Government has not received any such proposal from Reserve Bank of India (RBI).

(b) and (c) Do not arise.

(d) and (e) In the Mid-Term Review of Annual Policy Statement (dated October 30, 2007), RBI has observed that in view of the rise in the number of litigations against banks for engaging recovery agents in the recent past, it is felt that the adverse publicity could result in serious reputational risk for the banking sector as a whole. RBI has urged banks to follow prescribed specific considerations while engaging recovery agents and has clarified that complaints received regarding abusive practices followed by a bank's recovery agent would invite serious supervisory disapproval. RBI would consider imposing a temporary ban (or even a permanent ban in case of persistent abusive practices) for engaging recovery agents on those banks where strictures have been passed/penalties have been imposed by a High Court/Supreme Court or against its Directors/Officers with regard to the abusive practices followed by their recovery agents.

**Infrastructure development projects**

228. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) the details of proceedings taken place, if any, towards implementation of the proposal of funding infrastructure development projects in India by borrowing a part of the foreign exchange reserve from RBI, envisaged in paragraph 97 of the Finance Minister's budget speech for 2007-08;

(b) the details about the origin of constitution of the Deepak Parikh Committee giving details of other constituents thereof;

(c) the salient details of other/alternative recommendations, if any, made by the said Committee;